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THE  
SENTIMENTS  
OF A  
GREAT MAN  
UPON  
PROPOSALS  
FOR THE  
GENERAL REDUCTION  
OF  
INTEREST to *Three per Cent.*

In a SPEECH made to an  
Honourable ASSEMBLY.

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L O N D O N :  
Printed for H. WHITRIDGE, at the *Royal-Exchange.*

M.DCC.LI.

[ Price Six-pence. ]

SENTINEL  
OF THE  
GREAT NORTH

PROPOSALS



INTENTED  
TO BE  
HONORARY

LONDON  
1871



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## S P E E C H, &c.

S I R,

**I** AM extremely sorry to find myself under a Necessity of opposing the Scheme now laid before you. I am persuaded the honourable Gentleman would neither have thought of it, nor proposed it, if he had not imagined it would contribute both to the Good of the Publick, and the Good of the Creditors ; but as I think it will tend to the Prejudice of both, I am therefore, for the same Reasons, obliged to oppose it. I wish with all my Heart we were in a Condition to pay off, honourably and fairly, all the Debts due by the Publick, and to give the People an immediate Relief from all those Taxes which are appropriated to the Payment of Principal and Interest ; but as it is impossible to do this at once, as there is no Way of paying off our Debts, or abolishing our Taxes, but by Degrees, by Means of the *Sinking Fund* ; and as this is a cer-

tain Way of paying off, in a few Years, all our Debts, and freeing the People from almost all those Taxes, which have been made perpetual by Parliament, I shall always be fearful of coming into any Scheme which may disturb, and perhaps entirely disappoint that certain and regular Method we are now in, whatever plausible Appearances it may have at first View.

To reduce the Interest payable on all, or any Part of our publick Debts, and thereby add to the yearly Produce of the Sinking Fund, or to enable us to annihilate a Part of it, by abolishing some of our most heavy Taxes, is a Project which at first View seems mighty alluring. In private Life, a Gentleman who had a large Mortgage upon his Estate, would think himself highly obliged to a Man who should offer to put him in a Way of reducing the Interest payable on that Mortgage, in order to enable him to live better than he did before, or to pay off the Mortgage, and clear his Estate sooner than he could otherwise do ; but if, upon examining this Project, he should find Reason to believe, he might be disappointed as to the raising of a sufficient Sum at a less Interest, and that the Attempt would certainly exasperate all his old Creditors, and excite every one of them to file Bills of Foreclosure against him, by which his Estate might be brought to immediate Sale at a bad Market, and he and his Family brought to utter Perdition ; he might, perhaps, thank his Friend for his kind Offer, but surely he would be a Madman, if he should embrace it, or openly attempt to carry the Project into Execution. This I take to be the Case at present ; but before I endeavour to shew the Probability, or the Danger of our being disappointed, I shall beg Leave to consider a little what



the Hon. Gentleman has said about the Interest of Money, and the Influence it has upon our Trade, Manufactures, and Navigation, and upon the Improvement of our Land Estates.

I shall agree with him, That in a Country where the Interest of Money is at too high a Rate, there can be little or no Trade, or Improvement of Land ; because it is a certain Sign, there is little or no Money in that Country, and without Money no Sort of Trade can be carry'd on, nor any Land Improvements made : But, I hope, it will likewise be granted, that the Interest of Money may be too low as well as too high ; for those who have more Money than they can employ in any Trade or Business, ought to be allowed to make some Profit by lending it ; in order to tempt them not to hoard, or to hide their Talents in the Earth, but to lend them to those who can employ them to Advantage in some Sort of Trade or Business ; and the Hopes of getting a moderate Interest or Profit for Money, will always be a great Incitement to Men of all Ranks and Conditions, to get and to save as much as they can. What do Men engage in Trade for ? What do they toil and fatigue and save for, during the greatest Part of their Lives, but to provide a comfortable and easy Subsistence and Relief for the Infirmities of Old Age ? And after they have done so, what do they continue their Toil and their Saving for, but to satisfy their Ambition by establishing and enriching their Families ? If they could make little or no Use of their Money after they have got it and sav'd it, no Man would toil, no Man would carry on any Trade or Manufacture farther than was absolutely necessary for his daily and immediate Subsistence.

sistence. Therefore, to encourage Men to engage in Trade, or to lend their Money to those that will, to encourage Men to get and to save Money, it is absolutely necessary to leave them in a Condition of receiving some Profit or Benefit from their Money after they have got it and saved it ; and this Profit must be great or small, according to the Circumstances of the Country where they are, and according to the Humour and Inclinations of the People, among whom that Profit is to be settled or regulated.

A very low Rate of Interest for Money, is so far from being the Origin or first Cause of a flourishing Trade, that a flourishing Trade is always the Cause of a low Rate of Interest ; and in every Country, their Trade must have flourished for some considerable Time before the Rate of Interest in that Country can be brought very low. The first Origin of Trade in every Country is owing to a well regulated Constitution, and a prudent Administration of publick Affairs, which Advantages may be very much improved by concurring Accidents. In this Country, before the Reign of *Henry VII.* tho' our Constitution had a Face of Liberty, yet that Liberty was almost entirely confined to the noble and great Families, under whom most of the Commons liv'd in a Sort of Bondage or Dependance ; so that our Constitution, tho' free, was not very well adapted to the Encouragement of Trade ; and the continual Wars we were engaged in from the Conquest 'till that Time, made the Spirit of the Nation run more upon the Arts of War than of Peace ; but that wise King having very much broke the Power and Influence of our noble Families, and established the

Rights

Rights and Privileges of the Commons, our Trade began even in his Reign to rear its Head ; and the wise and long Reign of Queen *Elizabeth* established what her Father and Grandfather had begun ; for in her Reign, which upon this Occasion ought to be particularly remarked, our Trade flourished more, and increased faster, than it ever did in any the like Period before or since, tho' the Interest of Money was then at 10 *per Cent.* at which Rate it continued 'till the 21st of *James I.* when it was brought down to eight ; and at that Rate it continued 'till after the Restoration, when it was reduced to 6 *per Cent.* from whence 'tis plain, the Establishment and Prosperity of Trade do not proceed from a low Rate of Interest, but that a low Rate of Interest proceeds from the Establishment and Prosperity of Trade ; and the common Rate of Interest having ever since been upon the Decline, is to me a convincing Proof, that our Trade has been ever since that Time in a flourishing Condition, and increasing daily rather than decreasing,

For this Reason, I must think it a little odd to hear some Gentlemen pretend our Trade is now, and has been for some Years, in declining State, and yet at the same Time insist, that within these ten Years the Interest of Money has sunk from 4 to 3 *per Cent.* for I must observe that this pretended Fall of Interest is greater in Proportion than what happen'd in that long and for the most part happy Period of Time, from the 37th of *Henry VIII.* to the 21st of *James I.* the former being *one Fourth*, whereas the latter was but *one Fifth*. Surely, if our Trade had been upon the decline, our National Stock of ready Money would have diminished in Proportion: and if our  
Stock



Stock of ready Money had been diminished, the certain Consequence would have been, an Increase of the natural Interest of Money. Therefore, either our Trade is in a flourishing Condition, or the natural Interest of Money must be higher than it was ten Years ago. If our Trade be in a flourishing Condition, it would be dangerous, and consequently imprudent, to take any new Measure for rendring it more flourishing, lest that new Measure should have a contrary Effect; and if the natural Interest of Money be higher than it was ten Years ago, it will be impossible for us to reduce the Interest payable upon any of the publick Funds, without Fraud or Compulsion; neither of which we can make use of, without a Breach of National Honour, and Parliamentary Faith.

But I am convinced our Trade is still in a flourishing Condition; and I am of Opinion, a further Reduction of Interest, unless the Circumstances of the Nation should very much alter, will tend towards a thorough Change, rather than Improvement of that Condition. The present Rate of Interest is so low, it can no Way injure our Trade; for in this Country, as well as every other, most Men will chearfully engage in and carry on any Branch of Trade, if they can make 1 or 2 *per Cent.* net Profit of their Money in that Trade, more than they can make by lending their Money out at Interest. We are not to presume People put a higher Value upon their Labour and their Trouble in this Country, than they do in *Holland*, because the Rate of Interest is higher here than there; if there is any Difference, it must proceed from the different Nature of the People, and not from the Difference of Interest;

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and as the Difference of Interest is not above 1 *per Cent.* it can give them no Advantage in Trade, at least not such an Advantage as can be equal to the many Advantages we have in other Respects over them.

I am therefore of Opinion, that our present Rate of Interest can no Way injure our Trade; but, on the contrary, that it is no more than what seems necessary in this Kingdom for promoting our People to engage in Trade, and to be industrious; because by so doing they may probably get such a Sum of Money as may, by being laid out at Interest, afford them a comfortable Subsistence, when they are old and past their Labour; which is what very few could expect, if the Interest of Money were much lower than it is at present; and if a Man should in his Youth despair of ever being able to provide a comfortable Subsistence for old Age, he would never think of saving, he would think only of getting as much as was necessary for his daily Subsistence, and would never engage either in Labour or Trade, further than he found absolutely necessary for that Purpose, according to the frugal or extravagant Manner he chose to live in.

To this I must add another Consideration, for shewing that the Interest of Money may be too low; and that is, the great Encouragement which is thereby given to Luxury and Extravagance; for as too high an Interest encourages the Luxury and Extravagance of the Lender, too low an Interest will always encourage the Luxury and Extravagance of those who have either Credit or Pledge upon which they can borrow. Therefore I must think it is not

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a very low Interest, but a moderate Interest, that is the Parent both of Industry and Frugality; and what ought to be called a moderate Interest in any Country, must depend upon the Circumstances, the Humours, and the Inclinations of the People.

From these Considerations I am of Opinion, that the Lowering of Interest would be hurtful instead of being beneficial to our Trade; and I may, I think, declare my Opinion the more boldly, because I find the famous Mr. *Locke* was of the same Opinion, and was therefore against the Lowering of Interest in his Time, tho' it was then at 6 per Cent. For a Project having been offer'd in the Year 1691, for reducing the National Interest, in order to enable the Government to borrow Money at any easier Rate for the Expences of the War, that Great Man wrote a Pamphlet against it, which is still extant, and reprinted with his other Works. But as the low Rate of Interest in *Holland* has been much insisted on, and represented as a great Advantage they have over us in Trade, it lays me under a Necessity of considering the Difference between what may be called a moderate Interest in one Country, and that which may be called a moderate Interest in another; which, as I have said, depends not only on the Circumstances, but the Humours and Inclinations of the People.

In *Holland* they have little or no Land, their chief Fund is Money; and as their rich Men have little or no other Riches but Money, there can be few or no Borrowers among them, but such as have a Mind to employ it in Trade; for a rich extravagant Man,

Man, whose Riches consist only in Money, can have no Occasion to borrow; as long as his Money lasts, he makes Use of it for supplying his Extravagance, and when his Money is gone, he has neither Pledge nor Credit whereon to borrow; therefore no extravagant Men can be Borrowers in *Holland*; and a Man who borrows Money to be employ'd in Trade, neither can nor will give a high Interest for it. On the other Hand, in this Country, our chief Fund is Land, which must always be the Occasion of our having a great Number of Borrowers, who borrow Money only for supplying their own Extravagance, or for atoning for the Extravagance of their Ancestors; for every Landed Man who is extravagant, or who succeeds to an extravagant Ancestor, is long a Borrower, and perhaps for large Sums, before he becomes a Seller. From hence we may see, that the natural Interest of Money in this Kingdom must always exceed that in *Holland*, 'till such Time as the total Value of our Money Estates exceeds the total Value of our Land Estates, as far as the former exceeds the latter in *Holland*. Therefore, from this Difference in our Circumstances, 4 *per Cent.* may be a very moderate Rate of Interest in this Kingdom, and yet 3 *per Cent.* an extravagant Rate in *Holland*.

Then, as to the Humours and Inclinations of the People, it must be granted, that our People neither do, nor can live so penuriously, as the Generality of the People of *Holland* do; therefore, a *Dutchman* may live, as he may think, comfortably, upon 3 *per Cent.* for his Money, whereas no Man of this Country would propose to live upon such a



Sum, unless he could have 4 *per Cent.* for it at least. For this Reason, an Interest of 3 *per Cent.* in *Holland*, may be sufficient for prompting their People to engage in Trade, and to get and save as much as they can by their Industry, in order to provide for Old Age and Infirmities; and yet 4 *per Cent.* may be the least that is necessary for the same Purposes, with Respect to the People of this Country. And with Regard to those who are apt to borrow, in order to supply their Extravagances, I have already shewn there can be few or none such in *Holland*; therefore with them there is in this Way no Danger to be apprehended from the Lowness of their Interest; but in this Country, we have in this Way a great deal to apprehend, if we should ever reduce our Interest too low. Thus it must appear, that if Lowness of Interest be an Advantage in Trade, it is a natural Advantage the *Dutch* have from the Circumstances of their Country, and from the Nature of their People; and that it is an Advantage we cannot take from them, without doing ourselves an Injury of a worse Consequence in another Way; but for this very Reason we have many Advantages over them, and such as greatly over-balance this one Advantage they have of us. From our Lands we have, or may have, Provisions sufficient for all our Workmen, and almost all the Materials necessary for any Sort of Manufacture, from the first Production of Nature, to the utmost Perfection of Art; whereas they have within themselves neither the Materials for any Manufacture, nor Provisions for any of their Workmen, so that both must come dearer to them, by at least the Freight,



Freight, and other Charges of transporting them from one Country to another : And from the Nature of our People, we have likewise an Advantage ; for as our People live better, they work with greater Spirit, and more Alacrity than their People can do, and consequently must do a great deal more Work in a Day's Time. Let us, therefore, think of improving those Advantages Nature has given us ; for if we neglect them, in order to catch at those which Nature has given to others, we shall lose the Bird in Hand, by endeavouring to catch at that in the Bush.

As to our Neighbours the *French*, I am surprized to hear it said they have any Advantage over us, with Regard to the Interest of Money. The legal Rate of Interest in that Country is as high as it is in this ; and the natural Interest of Money, at least upon their publick Securities, is, I am sure, much higher. Nor have they any natural Advantage in Trade over us worth mentioning, except that of the frugal and penurious Temper of their People, especially their Labourers and Manufacturers ; for the Freight of a Ship from any Port in *England* to *Spain* or *Turkey*, is very near as cheap as from any Port of *France*, at least, the Difference can have no Influence upon a rich Cargo ; and if it could, the Expence of carrying their Goods to their Port for Export, is generally much higher in *France* than in *England*, which will more than atone for any Difference there may be in the Freight : And for the same Reason a Quantity of *Spanish* Wooll may always come cheaper to the Manufacturer in *England*, than the same Quantity can come to the Manufacturer in *France*.

*France.* But then, as to the Advantages we have over them, they are innumerable, and the single one of our Wooll, is such a one as we may, by proper Care and Diligence, make insurmountable ; for the more careful and diligent we are in preventing its Exportation, the greater the Risk of exporting it will be ; and the greater the Risk, the higher its Price will be in *France* ; so that at last we may raise its Price so high, as to make it impossible for their Manufacturers to work it up with any Advantage.

Now, with Regard to our Taxes, as I have said before, I wish we could immediately get free of them, but they must all be continu'd, or our Debts must remain unpaid ; the more of them we abolish, before all our Debts are paid, the longer we must remain under those that are not abolished. I do not know but some of the Materials for Manufacture, and some of the Provisions necessary for Life, may, by Means of our Taxes, be rendred dearer than they would otherwise be. However, it cannot be said, that either the *Dutch*, or the *French*, have in this the Advantage of us ; for in both these Countries their Taxes are as numerous and as heavy as they are in this, and in *France*, 'tis certain, the Method of collecting them is much more grievous ; therefore, if Provisions, Wages, or Labour, be dearer in this Country than in *France* or *Holland*, it must proceed from there being a greater Plenty of Money in this Country than in either of the other two : This, I believe, is really the Case, with respect to all the Counties near *London* ; and as for our remote Counties, I believe, Provisions, Wages,

Wages, and Labour, are as cheap in them as in any Part of *France*, and much cheaper than in any Part of the *United Provinces*. From all which I must conclude, that neither the *Dutch* nor the *French* have any Advantage of us in Trade ; but on the contrary, that we have, upon the Balance, a great Advantage of both ; and from hence, as well as from the present low Rate of Interest, I think I have Reason to believe our Trade is now as extensive as ever it was ; though it neither does nor can now increase so fast as it did in its Infancy, nor can the Profits from any Branch of Trade be now so great as when that Channel was first opened. It is not now, indeed, so easy, for a Man to get into a Method of growing rich, or to heap up Riches so fast, by Trade, as it was 50 or 100 Years ago ; but this proceeds from the Nature and certain Consequences of Things, and not from any Decay of Trade ; yet this is, I believe, the chief Ground of all our Complaints, and the sole Reason most People have for imagining our Trade in general to be upon the Decline.

I hope I have now made it appear, that the present low Rate of Interest can have no bad Influence upon our Trade, and that therefore it would be imprudent and dangerous for us to take any extraordinary Measures for reducing it ; but that we ought to let Things go on in their natural and present Course, 'till the total Value of our Money'd Estates has begun to exceed that of our Lands ; and then I make no Doubt but the Interest of Money, upon all Sorts of Securities, will fall of itself, and without

but our taking any extraordinary Measures to enforce it.

I shall next examine what Effect a Reduction of Interest would have on our Lands; and here I must observe, our Landed Gentlemen are extremely mistaken, if they think the Price of their Lands will always rise in Proportion to the Fall of Interest. If Land sells for 20 Years Purchase, when Interest is at *5 per Cent.* he would find himself very far out in his Calculation, who should imagine that if Interest could be reduced to *1 per Cent.* he might get 100 Years Purchase for his Land: But suppose he did, what the better would he be? For if he sold his Estate, he would then become a Money'd Man, and the 100 Years Purchase in Money at *1 per Cent.* would produce no more than the 20 Years Purchase would have produced when Money was at *5 per Cent.* Then as to the Improvement of a Land Estate, if Money should become so plenty as to yield but *1 per Cent.* Interest, the Price of Labour, and all Sorts of Materials proper or necessary for Improvement, would rise in Proportion; so that any Improvement of an Estate would then cost five Times as much as when Money bore an Interest of *5 per Cent.* from whence we must conclude, that a low Interest of Money can no Way contribute to the Improving of any Estate; and as no Man would toil or labour for the Sake of saving any Money, if he could get little or nothing by it after he had saved it, we cannot suppose, that any Gentleman or Farmer would get Hands enow to assist him in any such Improvement; so that the reducing of  
Interest



Interest too low, would, in my Opinion, rather prevent than encourage Improvements of every Kind.

Thus it appears, that a further Reduction of Interest, 'till the Circumstances of the Nation, and the Humours of the People, be very much alter'd, would neither tend to the Increase of our Trade, nor to the Improvement of our Lands, but might probably contribute to the Ruin of both. And as to the more speedy Payment of our Debts, the Difference is not so great as ought to induce us to run a Risk of disabling ourselves from ever paying any Part of our Debts, in order to pay them off a little sooner; for if we should annihilate no Part of the Sinking Fund upon the Reduction of Interest proposed, supposing it to extend to the Whole of our Debts, it would be near 22 Years before we could pay off all our Debts, by Means of the Sinking Fund so increased; and as our Affairs stand at present, we can pay them all off in less than 25 Years; so that all we get by bringing so many Families into great Distress, and running the Risk of losing our Trade, is to get rid of our Debts about three Years sooner than we could otherwise have done. But if we should annihilate any Part of the Sinking Fund, if we should annihilate only that Part added to it by the Reduction of Interest, it will be very near 27 Years and a Half before we can pay off all our Debts; so that we shall be two Years and a Half longer in Debt than we need be, if Things stand as they are at present.

I have now consider'd the publick Benefits, which, it is pretended, would arise from a Reduction of Interest,

terest, and have shewn the great Reason there is for apprehending a quite contrary Effect ; but if we consider the private Disadvantages and Inconveniencies which must necessarily ensue from thence, they are numerous, and would affect Men of every Rank and Degree. The Landed Gentlemen, and all our noble and great Families, would either soon be undone, or their younger Children, both Sons and Daughters, especially the latter, must be left in a State of Beggary. 5000 *l.* may now be a suitable Fortune for the younger Son or the Daughter of a noble Family ; but if Interest should be reduced much lower than it is, it would hardly enable them to keep Company with their elder Brother's Cook or his Coachman ; and to charge a Land Estate with a greater Sum to each of the younger Children, would very much encumber the Heir, and might probably ruin the Family. Merchants, Shop-keepers, and Tradesmen, would be in no better Condition ; for every Branch of Trade and Business is already over-stock'd, and the Reduction of Interest would bring such Numbers of new Adventurers into Trade, that they would all be ruined by under-selling and under-working one another : Even those who might have the good Luck to escape the general Shipwreck, and to get a little Money, by the utmost Care, Industry, and Penuriousness, could never expect to get so much as would enable them to pass their old Days in Quietness and Security. Our present Set of Farmers would mostly be turned out of their Farms, and obliged to turn Cottagers ; because our Farms, upon the Expiration of the present Leases, would mostly

mostly be let to Gentlemens younger Sons, or Persons of much greater Stock or Fortune than our present Farmers are possess'd of. But the most unfortunate of all would be our Widows and Orphans, who now have their Money in the Funds, or upon Land Security, and have nothing else to trust to for a Subsistence, but the Interest payable yearly or half-yearly upon that Money : Such Persons could not engage in Trade, or turn their Money to any other Use ; because Orphans cannot raise it 'till they come of Age, and Widows generally have the Interest only settled upon them during their Lives : Nay, they could not so much as take the Benefit of that hard Alternative proposed to be offer'd, of purchasing Annuities for Term of Years or Life. In short, it would, in my Opinion, bring such a Deluge of Distress upon all Ranks of People, that the Consequences might be fatal to our present happy Establishment and Constitution ; so that if we are not moved with Compassion for the Distresses of others, we ought at least to have a Regard for ourselves and our own Families.

But in particular, I must take Notice of the great Prejudice this Scheme would do to the Landlords of Houses, the Shop-keepers, the Tradesmen, and all Persons concerned in the Retail Trade, within the Cities of *London* and *Westminster*, and the Counties next adjacent. Many of our Stockholders and Annuitants being rendered unable to live in or near the City of *London*, would, of course, retire to the remote and cheap Counties ; by which Means their Houses would be left empty



in the Hands of their respective Landlords, and the Butchers, Bakers, Chandlers of all Sorts, Grocers, and other Tradesmen and Shop-keepers they used to deal with, would for ever lose their Custom. Even those Stockholders and Annuitants who might continue in *London*, or near to it, would every one be obliged to contract their Expence, which would be an additional Loss to the Shop-keepers and Tradesmen of *London* and *Westminster*, and the Counties adjacent; and this double Loss would likewise considerably affect the Custom these Shop-keepers and Tradesmen have from one another. This Consequence of the Scheme proposed is so obvious, that I must say I am surprized to find it patronized by some of those Gentlemen who have always shewn a particular Regard for the Citizens of *London*. I am sure they do not view it in the same Light I do; for if they did, they would certainly have been so far from patronizing it, that they would have opposed it to the utmost of their Power.

These are some of the Dangers, which I think are justly to be apprehended from the Scheme now before us, supposing it should succeed; but I have the Comfort to think it would fail in the Execution, tho' every Branch of the Legislature should agree to it, and I shall beg Leave to give you some of my Reasons for thinking so; after which I shall take the Liberty to shew you some of the bad Consequences such a fruitless Attempt may be attended with. But I must first make an Observation upon the two Ends proposed by the Scheme, which are, that we may the sooner get rid of our Debts,



Debts, and immediately relieve the People from some of their burdensome Taxes. These two Ends are, I confess, mighty plausible, but the Misfortune is, that they are, as I think, absolutely incompatible. It is impossible to relieve the People from any of the Taxes appropriated for the Payment of our Debts, without prolonging that Payment; and tho' our Taxes are certainly very burdensome, yet Experience has shewn they are not altogether insupportable. In this Case therefore the first Question that occurs is, Whether it be more for the Advantage of the Nation in general to continue our Taxes till the Nation be quite free, or very near free from Debt, and then abolish them all at once, which may be done in a small Number of Years, if the Sinking Fund be duly and regularly applied? Or whether we ought now to abolish some of the Taxes, which we may do without reducing the Interest or ruining any of the publick Creditors, and thereby leave the Nation incumbered with a large Debt for a much longer Time? If this were to be a Question, I should, according to my present Sentiments, be for the first Method; because I think it is not only the most advantageous to the Nation, but the most just with respect to our Creditors. I think it is our Business, before all Things, to rid the Nation of Debt; for till then we can never propose to act with such Vigour as we have formerly done, either in assisting our Allies or avenging ourselves of our Enemies; and I cannot think it absolutely just with respect to our Creditors, to annihilate any Part of the Sinking Fund, till they are all paid; because by the express Words of the

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the Law by which it was established, and by many Laws since that Time, it stands appropriated to the Payment of those Debts which were contracted before the Year 1716. This was always my Opinion, and was formerly the Opinion of some Gentlemen in this House, who seem to be great Lovers of the Scheme now before us, and with whom I have generally joined in Opinion ever since I have had the Honour to sit here; but when they change their Opinion, I shall not think myself any Way bound to join with them, unless they give me some better Reasons than I have yet heard, for such a Change.

Now to come to my Reasons for thinking the Scheme impracticable as well as incompatible. There may, I grant, be some People in this Nation, who are willing to lend their Money at 3 *per Cent.* that there are such is evident from the Sums that have lately been borrowed at that Interest, and the Premium such Securities are sold at; but I am convinced, we should find ourselves vastly mistaken, if we should expect to borrow *two Millions* or *half a one* at that Interest; for with respect to the Sums lent for the certain Supplies, they are lent by such Persons as cannot lie out of their Money for any Term of Years; and with respect to the Premium upon 3 *per Cent.* publick Securities, it proceeds entirely from the small Quantity of such Securities that are or can be in the Market. Those who lend upon such Securities are generally Men of vast Fortunes, and who do not intend to be chopping and changing, so that few or none of them are ever in the Market; therefore a very small Sum of  
Money

Money brought to Market, in order to be laid out upon such Securities, raises their Price above Par: Even such a small Sum as 50,000 *l.* brought to Market at any Time, more than sufficient to purchase all that are then to be sold, would raise them to a Premium higher than that they are now sold for; and being once got to a Premium, they must continue at it, because few or none of those who are possessed of such Securities, are ever under a Necessity of Selling. And as for *East-India Bonds*, and such like Securities, they are always bought up by those who do not think proper to let their Wealth be known, or by such as must always have those Securities which they can turn into Money upon an Hour's Warning. From hence we may see, that none of those who lend Money for the current Supplies, or who become Purchasers of Bonds at 3 *per Cent.* would become Subscribers upon this new Scheme; and if you should open such Books as are proposed, your other Securities at 3 *per Cent.* would soon come to sell under Par; because many of the present Proprietors would chuse to sell out of the Old, in order to become Subscribers to the New, on account of their being made irredeemable for 14 Years; which would bring such a Glut of the Old to Market, as would certainly bring them under Par, and this would of Course put a Stop to any Man's coming to subscribe for any new Security at that Interest.

There may likewise be some few of the overgrown rich Annuitants, especially such as live at a Distance from *London*, who would rather accept of

of 3 *per Cent.* for 14 Years irredeemable, than be at the Trouble of receiving yearly, or every two Years, a partial Payment, and replacing that Payment in Stock or Annuities; but the Number of such Persons is so small, that I am convinced their Subscriptions would not amount to *half a Million*, and much less to *three Millions*. I am afraid the Hopes Gentlemen have of great Subscriptions in Money and Annuities, are founded chiefly upon a wrong Supposition. From the Premium given for our 3 *per Cents.* they suppose the natural Interest of Money is now at 3 *per Cent.* but that this is a Mistake, is, I think, evident from the Price of all our other Funds; for if the natural Interest of Money were no higher than 3 *per Cent.* our 4 *per Cent.* Annuities ought to sell at 133 and *one Third*; Bank Stock at 183 and *one Third*; and *East-India* at 200 *l. per Cent.* which is very far from being the Case.

But, if the natural Interest of Money lent upon Pledges of Jewels or Plate, or upon good or undoubted Mortgages of Land, were at 3 *per Cent.* we are not from thence to infer, that the natural Interest of Money upon all Sorts of publick Securities, especially Annuities, could be no higher. Our Annuitants are far from being in as good a Condition as a Pledge of Jewels or Plate, or a Mortgage of Lands. If War or any other Accident should raise the natural Interest of Money, a Pledge or Mortgage could insist upon Payment, or a higher Interest, otherwise he would bring his Bill of Foreclosure, and have the Pledge or the  
mortgaged



mortgaged Lands sold, by which Means he would certainly recover his Principal and all Arrears of Interest, and would then get a higher Interest for it from some other Borrower. On the other Hand, let the natural Interest of Money rise as high as it will, an Annuitant can neither insist upon Payment, nor can he bring a Bill of Foreclosure against the Publick; if he wanted his Money, he could recover it no Way but by Sale at the Market Price, which would certainly, in that Case, be much below Par: nay, perhaps he might find it impossible to meet with a Purchaser, and then he could have no other Resourse, but to take his 3 *per Cent.* while the Government remained in a Condition to pay him; for even as to the Payment of his Annuity, he has no such absolute Certainty as a Pledge or Mortgage. For which Reason, if Money were now commonly lent upon Pledges or Mortgages at 3 *per Cent.* we could hardly expect Subscriptions for Annuities at Three; and, I must think it a little extravagant to expect any such, especially for such a large Sum; when 'tis well known, that the common Rate of Interest upon Pledges or Mortgages is 5 *per Cent.* and the lowest Four.

For these Reasons, I must be of Opinion, that however plausible this Scheme may appear in Speculation, it will be found impracticable in the Execution; and the more so, because it is to be expected, all the money'd Men in the Kingdom will join in Measures for preventing its taking Effect. And now, with Regard to the Consequences of our

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being disappointed in such an Attempt, they are various, and may be fatal. I shall begin with one which, I think, will be certain, whether the Scheme takes Effect or not. The very Attempt will make all Foreigners, especially the *Dutch*, draw their Money out of our Funds as fast as they can; for the chief Reason any Foreigner has for trusting his Money in our Funds, is, because he makes a greater Profit of it here than he can do in his own Country, upon any Security equally certain and good. It has been allowed, the *Dutch* may make 3 *per Cent.* of their Money at home; and if we examine into the Loss they are at by the partial Payments made upon our Funds, and the Expences they are at for Commission, Postage of Letters, and other incident Charges, we shall find they do not now make much above 3 *per Cent.* of their Money; so that if we should reduce 1 *per Cent.* of the Interest now paid them, they would not then make much above  $2\frac{1}{2}$ ; for which Reason I think it is most justly to be apprehended, they would all at once draw their Money out of our Funds; and what a Shock the drawing of so much ready Cash out of the Kingdom at once must give to our publick Credit, to our Trade both Foreign and Domestick, and to the natural Interest of Money between Man and Man, I shall leave to Gentlemen to consider; only I must acquaint them, it is generally computed the *Dutch* have above 10 Millions Sterling in our several Funds.

The Gentlemen of the other Side of the Question pretend, the World will be apt to conceive a

bad Opinion of our Conduct, if we should not endeavour to take Advantage of the present advanced Price of 3 *per Cent.* Securities; but I have shewn the Premium upon such Securities is by much too narrow a Foundation for us to build any Hopes on, of reducing all our Annuitants to 3 *per Cent.* and if we should fail in the Attempt, I am sure the World will have better Reason to suspect the Wisdom of our Conduct, or the Honesty of our Intentions. A Man who never attempts but what appears by the Event to be within his Reach, is certainly a wiser Man, tho' not perhaps a Man of so much Courage, than he who aims at extraordinary Heights, and falls headlong from the Precipice. By making such an Attempt, and failing in that Attempt, we may very probably be like those vapourish Ladies, who fancying themselves ill, swallow Draughts and Bolus's, till they have actually thrown themselves into a Distemper much worse than the imaginary.

Then, as to the Prejudice which may accrue to private Men, I am surprized to hear it said, that no such Thing can be apprehended; for, in my Opinion, it is inevitable, whether we succeed or not. If we succeed, the Annuitants will certainly lose 5*s. in the Pound*, of their present Revenue; but it seems this Loss is to be made good to them by abolishing some of our Taxes. Are Gentlemen serious when they talk so? What would any Annuitant say to a Man who should tell him, we must take 5*s. in the Pound* from your present Revenue, but in lieu of that, you shall have Candles *an Half-penny or a Penny in the Pound* cheaper than usual?

Would not any Man take this as a Banter? Suppose again, which I think by much the most probable, that we should not succeed; such an Attempt would certainly diminish publick Credit: It would make many, both Natives and Foreigners, resolve not to trust their Money longer in our Funds. It would make them begin to think of employing their Money somewhere else, in order that they might take the Benefit of selling out, before the Price should be diminished by the Reduction of Interest. This would of course lessen the advanced Price of every one of our Funds; and would not this be a Prejudice to every one of the present Proprietors, especially to such of them as have lately purchased? I do not now argue from Supposition only, I argue from certain Fact, from present Experience: Do not we see that all our publick Funds have fallen in their Price since this Affair was first brought before us? And if an immediate Fall of Stocks has been the Effect of its being mentioned, what Consequence can we expect from its being agreed to?

I cannot conclude, without taking Notice of the great Endeavours that have been used, both within Doors and without, to raise our Compassion, by representing the deplorable State of our poor Labourers and Manufacturers, and that the Reduction of Interest will enable us to give them an immediate Relief. For my Part, I cannot think their State near so deplorable as it has been represented; for we have no heavy Taxes upon any of the Necessaries of Life; All our heavy Taxes are laid upon the



the Luxuries of Life; and cannot therefore affect a poor Tradesman who has a mind to live frugally, and not to indulge himself or his Family in the Use of Things, that are not absolutely necessary for their Subsistence; and the few small Taxes we have upon some of the Necessaries, or rather Conveniencies of Life, are such as our People have been long accustomed to, and not so heavy, nor collected in a Manner so grievous as such Taxes are in *France* or *Holland*. But supposing it were otherwise, I have shewn, that by a Reduction of Interest we could not abolish any of our present Taxes, without subjecting the Nation to a greater and more dangerous Inconvenience, I mean the putting off for a longer Term the entire Discharge of the National Debt; and if by a Reduction of Interest our Trade should be diminished, which may probably, as I have already shewn, be the Consequence, especially in and about the City of *London*; then many of our poor Labourers and Manufacturers would be ruined, instead of being relieved, by a Reduction of Interest; consequently all the Compassion that can be pleaded in the present Case, must operate strongly against a Reduction, and in Favour of the many poor Widows and Orphans, who certainly would be irretrievably undone by the great Reduction proposed.

I must confess, I cannot well comprehend the Meaning of that Distinction, usually made upon this Occasion, between the Publick and the Creditors of the Publick. By the Publick I always mean the collective Body of the People of this Nation;

Nation ; and as our Creditors are a Part of our own People, as those Foreigners who have trusted their Fortunes to our Faith, will, I hope, be always looked on as such, and treated in the same Manner with our native Creditors, therefore I shall always look upon the Creditors of the Publick to be a Part of the Publick, and shall always think, no Injury can be done to them, without injuring the Publick : I believe they cannot so much as be subjected to any Inconvenience, but what will at last prove to be an Inconvenience to the Publick as well as to them ; and, I hope, it will be granted, that the taking *one fourth* Part of their Revenue from them, would at least be a great Inconvenience ; in my Opinion, it would be a great Injury to every one of them. We have had lately great Complaints of the Inequality of the Land Tax, and of the Injustice done to the Land-holders, by subjecting them to that Burden for so many Years together ; for which Reason one of those Taxes, which most certainly and most generally affect the Poor, was lately revived, in order to free the Land-holders from a *Shilling in the Pound* for *one Year* only. The prevailing Doctrine then was, and it is but a few Years since, to impose such Taxes as might fall equally upon all ; but now, it seems, we are to lay a Tax of *five Shillings in the Pound* upon that Part of our People, who have the Misfortune of being Creditors to the Publick, in order to free the Nation from some of those small Taxes it now pays, and has paid for many Years.

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From all which, I think, it will appear, that the Proposition now before us, will be of the most dangerous Consequence to our Trade, to our Landholders, to the Cities of *London* and *Westminster*, and to our People in general ; that it can be attended with no considerable publick Advantage, and that it will be a great Injustice done to our publick Creditors ; therefore, I shall think myself fully justified in giving my Negative to the Question.

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From all which, I think it will appear, that the  
 Proposition now before me, will be of the most dan-  
 gerous Consequence to our Trade to our Land-  
 holders, to the Clergy of Aachen and Wetzlar, and  
 to our People in general; that it can be attended  
 with no considerable public Advantage; and that  
 it will be a great Injury done to our Country  
 and to our People; I shall think myself fully justified  
 in giving my Negative to the Question.



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